

Sales and Distribution Pricing

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Introduction



SAP Sales and Distribution Pricing

Written by Pamela Adams

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Ok, we're back!

Overview of Sales and Distribution Pricing

Demo Data Overview

The 'x' manufacturing company produces motorcycles and accessories, including apparel. The manufacturing company sells to motorcycle wholesale distributors and to retail stores. This manufacturing company has different pricing strategies based on who the customer is (retail vs. wholesale), volume discounts by commodity, and price by commodity.

Pricing is reviewed by the marketing/sales group of the organization and updated on an annual basis, except for new products. New products are priced as they come to market; promotional pricing is in effect for six months until the product becomes established.

The marketing/sales group publishes a price list for every product and also a customer price list. These price lists can contain special promotions (sales deals) or other special pricing. The sales and marketing group periodically does contract pricing with certain customers that buy in advance.

Pricing Overview

Pricing in Sales and Distribution is seen at the document level. Pricing is created during sales order entry once the document type, customer, document or pricing date, material code, and quantity are keyed. The sales order will display pricing at both the header and item level of the document type. In this chapter, we will examine a typical order to pay scenario and examine all the different areas where pricing occurs at the sales order level.


In the Order to Pay scenario, a sales order must be placed first. This is the first document in a series of documents. We will examine a standard order; in SAP, this is order type OR.

Observe the instructor.

1. At the SAP Easy Access menu, Type transaction code **VA03**.
2. Type *12228* and press Enter.

Pricing is viewed at the header and item level for the sales order document.

Item Level Pricing on the Sales Order Document

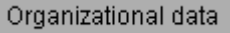

When the sales order displays, we can drill at the item level to the pricing screen to see the pricing for the individual item. By clicking  after selecting a line item, we can see pricing for that item. This can also be viewed by selecting the Conditions tab. On this screen, we see the cumulative price for that item and also the net value of the pricing of that item. This is called **Net** on the screen.

Qty		1	PC	Net		204.60	EUR	
				Tax		32.74		
Pricing Elements								
	N	CnTy	Name	Amount	Crcy	per	U...	Condition value
			PR00 Price	800.00	EUR	1	PC	800
			Gross Value	800.00	EUR	1	PC	800

3. Type VA05 or open another SAP session.

Using transaction code VA05, we can display sales orders that have multiple items to see that this is indeed true. Net value is per item and at the header level cumulative.

Type the following values on this screen:

Field	Value
Document Date	02/24/2008 to 03/25/2008
Selection Criteria	Click Open Sales orders
Button 	Click and Type sales organization 1000, Distribution channel 10, Division 00
Click 	

An open sales order list for the selected sales area will display.

4. Double click on an SD document that has multiple line items (ex. 10 and 20) The system will drill to that document in display mode.

At the item overview screen, you will see multiple line items display (similar to the below example).


Item	Material	Order Quantity	SU	S	Description
<u>10</u>	H10500		3PC	<input checked="" type="checkbox"/>	Harley leather jacket
<u>20</u>	H10000		3PC	<input checked="" type="checkbox"/>	Harley leather jacket

View each individual item's net value at the item level.

5. Click next to Item line number 10.

6. Click 

7. Observe and record the value in field **Net**.

-
8. Click on the green arrow.
 9. Click next to Item line number 20.
 10. Click 
 11. Observe and record the value in field **Net**.
-
12. Click on the green arrow.

Header level Pricing on the Sales Order Document

The header pricing information can be found by selecting at the Sales order menu level, then Header, and selecting Conditions. The header level will display the cumulative net value of all items and the cumulative value of tax.

Follow the instructor.

At the Change Sales Order screen:

1. Click to the screen menu, Goto→Header→Conditions.
2. Record the value in the Net field.
3. Click on the green arrow to return to the Change Sales order screen.

The Net value at the header level is the cumulative net value of all the items.

Where does a sales order get the information observed at the item and header levels?

A sales order derives its pricing from a Pricing Procedure defined in the IMG. The pricing procedure is tied to the Sales organization, Distribution channel, the sales order Document Type, and two other identifiers set up in a table in the IMG.

When an order entry person chooses a sales Document Type and identifies the organizational level, and enters the Customer, the pricing procedure is being accessed from the tables configured in the IMG.

Configuration Data required for Pricing at the document level

We see some of the configuration components at the header level of the sales document itself.

Follow the instructor.

At the Change Sales Order screen:

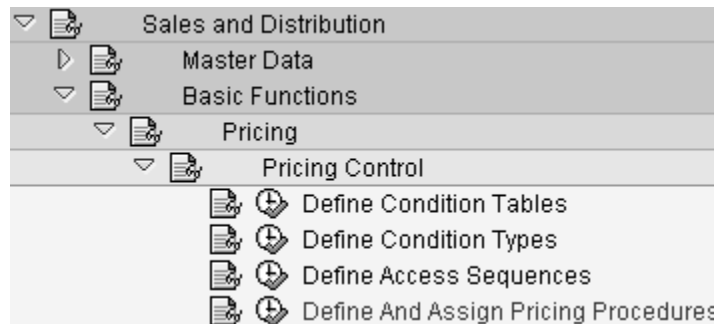
1. Click to the screen menu, Goto→Header→Sales
 2. Observe and record the Order Type.
-
3. Observe and record Sales area data.

-
4. Observe and record Pric. Procedure.
-

Where does the value for Pric. Procedure come from? The pricing procedure is determined from a table setting in the IMG. This is configurable by Document Type, Sales area, and Pricing Procedure name.

Follow along with the instructor.

1. Type transaction code *SPRO*.
2. Click the SAP Reference IMG button.
3. Click through the IMG folders to Sales and Distribution→Basic Functions→Pricing→Pricing Control→Define and Assign Pricing Procedures.



The list of activities shown below displays:

Perf...	Name of Activity
	Maintain pricing procedures
	Define customer pricing procedure
	Define document pricing procedure
	Assign document pricing procedures to order types
	Assign document pricing procedures to billing types
	Define Pricing Procedure Determination
	Check Settings for Pricing Procedures

For the sales order to derive what pricing procedure is applicable to the combination of order type, sales area, and pricing procedure name, that information must be defined in the IMG selection 'Define Pricing Procedure Determination'.

4. Click and Highlight Define Pricing Procedure Determination.

5. Click Choose.

At the Change View “Pricing Procedures: Determination in Sales screen, we see the following table columns and values; page down to the organizational level of 1000,10,00

SOrg.	DChl	Dv	DoPr	Cu...	PriPr.	Pricing procedure	CType	Co
0008	C1	69	A	1	RVCXUS	Standard - USA /with J	PR00	Pric
0008	C1	90	A	1	RVCXUS	Standard - USA /with J	PR00	Pric
0008	C1	A1	A	1	RVCXUS	Standard - USA /with J	PR00	Pric
1000	10	00		1	RVAA01	Standard	PR00	Pric
1000	10	00	A	1	RVAA01	Standard	PR00	Pric
1000	10	00	A	2	RVAB01	Tax Included in Price	PR01	Pric

Find the sales area values you recorded when you looked at the Header information for the sales order you chose previously in this table. Find the pricing procedure name (under column PriPr.) you recorded earlier. Now notice that there are several other columns in the Pricing Procedure Determination table that we have not discussed. Earlier it was mentioned:,

A sales order derives its pricing from a pricing procedure defined in the IMG. The pricing procedure is tied to the sale organization, distribution channel, the sales order document type, and two other identifiers set up in a table in the IMG.


These two other identifiers are named in the table as DoPr and CuPP.

1000	10	00	A	1	RVAA01	Sta
1000	10	00	A	2	RVAB01	Tax
1000	10	00	A	H	ZEXAM	tes
1000	10	00	A	Y	ZPKT00	Poi
1000	10	00	C	1	RVCA01	Sta
1000	10	00	C	2	RVCA02	Sta

This is where the beauty, flexibility, and complexity of SAP SD Pricing comes into play. DoPR stands for the Document Procedure for determining the pricing procedure.

This is a key that identifies the pricing procedure per document type. This is a one-to-one relationship with each document type. This means that some document types can be assigned a different value to differentiate what procedure will be assigned a different document type.

6. Observe the Do Pr for sales area 1000,10,00.

 The same sales area has values A and C assigned as Do Pr.

7. Click the green arrow.

Where are the values A and C set up?

Follow along with the instructor.

1. Click on Define document pricing procedure.

Perf.	Name of Activity
	Maintain pricing procedures:
	Define customer pricing procedure
<input checked="" type="checkbox"/>	Define document pricing procedure
	Assign document pricing procedures to
	Assign document pricing procedures to
	Define Pricing Procedure Determination
	Check Settings for Pricing Procedures

2. Click Choose.

This is commonly referred to DocPP. On the screen, the document pricing procedure identifier column heading is DoPr. In this table, we see the definition of the values A and C.

DoPr	Description
A	Standard
B	Plants Abroad
C	Free

3. Click the green arrow.

These identifiers will be matched in another table to the document order types for Sales and Distribution.

4. Click Assign document pricing procedure to order types from the Activities menu.

Activities	
Perf...	Name of Activity
	Maintain pricing procedures
	Define customer pricing procedure
	Define document pricing procedure
✓	Assign document pricing procedures to order t
	Assign document pricing procedures to billing
	Define Pricing Procedure Determination
	Check Settings for Pricing Procedures

5. Click Choose.

The Sales Document Types document pricing procedure assignments display.

	SaTy	Sales Document Type	DoPr	Doc. pric. proc
	AGIS	Quotation (/ Order)	A	Standard
	AP	Project Quotation	P	PS: Customer
	AR	Repair Quotation	A	Standard
	AS	Service Quotation	A	Standard
	SI	Sales Information	A	Standard
	UI	Quotation f.contract	A	Standard
	B1	Rebate Cred Memo Req	A	Standard

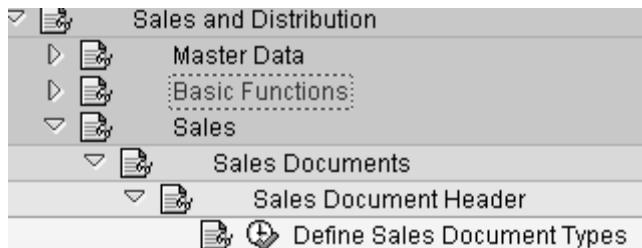
This is where the sales document type is associated with the identifier for the sales document pricing procedure identifier. This designator is also visible in the IMG on the definition of the Sales Document Type.

6. Click on the green arrow. Click on the red X

Let's take a look at the IMG setting for definition of the Sales Document Type.

Follow along with the Instructor.

1. Click on the IMG folders to Sales and Distribution→Sales→Sales Document Header→Define Sales Document Types.



2. Click Position on the resulting screen.
3. Type a value in Document Type and click the green checkmark.

Fill out the table below for each Document type: IN, OR, and QT.